

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number S1021/0009 Mine Name ETNA MINE  
Operator JG RESOURCES LLC Date SENT Nov. 4 2013  
TO \_\_\_\_\_ FROM \_\_\_\_\_

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE  
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI  
☐ AMENDMENT ☐ OTHER \_\_\_\_\_

Description

YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded  
Surety Release Check Enclosed and File Closure 2013-11142013

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
BOND FILE 2013-11142013

CONFIDENTIAL

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
BOND FILE 2013-11142013

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
CC: \_\_\_\_\_



Account Number:

110050632

Account Name: UST - OGM - JG Resources, LLC

Tran #: 19179755

Admin Name: Raylyn Daniel - UST 801-844-8523

Date: 10/31/2013

This check constitutes payment of the following:

Escrow Disbursements  
final release of acct #

Paid For:

Amount: \$5,698.05

110050632

Payee:

OGM - JG Resources, LLC  
c/o UST  
350 N State Street, Ste 180  
PO Box 142315  
Salt Lake City UT 84114-2315

HARLAND CLARKE M17873 13151481

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VIEW

OFFICIAL CHECK

110050632

Zions First National Bank  
Salt Lake City, Utah  
801-844-7089

UST - OGM - JG Resources, LLC

Trust Account

10/31/2013

\$5,698.05\*

Five Thousand Six Hundred Ninety Eight Dollars &amp; 5/100

Pay to the Order Of:

OGM - JG Resources, LLC  
c/o UST  
350 N State Street, Ste 180  
PO Box 142315  
Salt Lake City UT 84114-2315Details on Back.  
Security Features Included.



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A  
TO THE  
RECLAMATION CONTRACTName of Operator: JG Resources LLCPermit Number: M/021/0009Mine Name: ETNA MinePhone Number: 435-635-2572

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease  
☒ Increase  
☐ Replacement

Reason: ☐ Amendment to NOI  
☐ Cancellation/ Termination of surety  
☐ Escalation  
☐ Partial Release of surety  
☒ Other  
Explain:

mine size increased from 1 acre to 5 acres

Surety Dollar Amount Associated With This Action: \$16,500Surety Aggregate Amount: \$21,900

Included in this modification (surety must be attached)

Instrument(s):

<input type="checkbox"/> Corporate Surety	<input type="checkbox"/> Rider
<input type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input checked="" type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input type="checkbox"/> Other

Explain:

Zions Bank, Certificate of Deposit No. , attached hereto

Other surety not affected by this modification will remain part of Attachment A and labeled as such.

This Modification will be effective as of the last date signed below

Jerry Glazier Jerry Glazier  
Authorized Officer Signature Printed

Manager-CEO  
Title

11/4/2008  
Date

John R. Baza  
Division Director John R. Baza  
Utah Division of Oil, Gas and Mining

11/6/08  
Date



## FACT SHEET

Prepared November 10, 2008

Commodity: Gold, Silver

Mine Name: ETNA Mine

Permit Number: M/021/0009

County: Iron

Disturbed Acres: 5.0

Operator Name: JG Resources LLC

Operator address: 155 West 100 South, Hurricane, UT 84737

Operator telephone: 1-435-635-2572

Operator fax: none

Operator email: jerryglazier@gmail.com

Contact: Jerry Glazier

Surety Type: Cash and CD

Held by (Bank/BLM): Zions Bank

Surety Amount: \$21,900.00

Surety Account Number: Zions escrow account # \_\_\_\_\_, \$5,400 cash)  
Zions escrow account # \_\_\_\_\_, (\$16,500 CD)

Escalation Year: 2011

Tax ID or Social Security (for cash only): \_\_\_\_\_

Surface owner: SITLA

Mineral owner: SITLA

UTU number: n/a

Acres: 5.0



Date: 2/16/07

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

MODIFICATION OF ATTACHMENT A  
TO THE  
RECLAMATION CONTRACT

Name of Operator: JG Resources, LLC.Permit Number: M/021/009Mine Name: Etna MinePhone Number: (435)  
635-2672

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease  
☒ Increase  
☐ Replacement

Reason: ☐ Amendment to NOI  
☐ Cancellation/ Termination of surety  
☐ Escalation  
☐ Partial Release of surety  
☒ Other \$5400.00/acre - operator currently has  
Explain: \$5000.00 as reclamation surety.

Surety Dollar Amount Associated With This Action: \$400.00Surety Aggregate Amount: \$5400.00

Included in this modification (surety must be attached)

Instrument(s):

☐ Corporate Surety  
☐ LOC Letter of Credit  
☐ CD Certificate of deposit  
☒ Cash

☐ Rider  
☐ Amendment  
☐ Addendum  
☐ Other  
Explain:

☒ APPROVED

Other surety not affected by this modification will remain part of Attachment A and labeled as such.  
This Modification will be effective as of the last date signed below

[Signature]  
Authorized Officer

Member Manager  
Title

3/7/07  
Date

[Signature]  
Division Director  
Utah Division of Oil, Gas and Mining

RECEIVED

MAR 19 2007

2/23/07  
Date



**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECEIVED**  
**JAN 16 2007**

---ooOoo---

Div. of Oil, Gas & Mining

**SMALL MINE RECLAMATION CONTRACT**



This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **JG Resources, LLC** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **M0210009** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
  - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and



workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
  - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
  - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
    - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
    - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety



for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.



12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.



The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

JG Resources, LLC. f.h.  
Jerry Glazier aka ~~American Cometeo Inc.~~

Operator Name

By Jerry Glazier

Authorized Officer (Typed or Printed)

Individual

Authorized Officer - Position

Jerry Glazier  
Officer's Signature

1/11/07  
Date

STATE OF UTAH

COUNTY OF Washington ss:

On the 10 day of Jan, 20 07, Jerry Glazier personally appeared before me, who being by me duly sworn did say that he/she is an OWNER & Agent (owner, officer, director, partner, agent or other (specify)) of the Operator JG Resources, LLC and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

[Signature]  
Notary Public

Residing at Hurricane, UT

12-28-2010

My Commission Expires:





DIVISION OF OIL, GAS AND MINING:

By John R. Baza  
John R. Baza, Director

Date 1/18/07

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 18<sup>th</sup> day of January, 2007, John R. Baza  
personally appeared before me, who being duly sworn did say that he, the said  
John R. Baza is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.

Victoria A. Bailey  
Notary Public  
Residing at: Salt Lake City, UT

February 29, 2008  
My Commission Expires:





FACT SHEET

RECEIVED

JAN 16 2007

Commodity: GOLD, SILVER  
Mine Name: ETNA MINE  
County: Iron  
Disturbed Acres: five

Div. of Oil, Gas & Mining

*JG Resources, LLC*

Operator Name: Jerry Glazier aka ~~American Comotee, Inc.~~  
Operator address: 155 W 100 S Hurricane Utah 84737  
Operator telephone: (435) 635-2572  
Contact: Jerry Glazier  
Operator email: *Jerry glazier@gmail.com*

***Reclamation surety amount has yet to be determined, based on a permit of 5-acres, the Division's standard surety amount is \$18600.00 for 5 acres of disturbance. Operator must modify permit identifying disturbance if less than 5-acres.***

***The Division has received a reclamation surety check in the amount of \$5000.00 from SITLA. In order for these funds to receive Division approval, the operator must return the signed and notarized completed reclamation contract.***

Surety: Cash  
Bank Name: Zions  
Surety Amount: \$5000.00  
Account number: To be issued, attachment A  
Contact: Beth Ericksen, DOGM, 801 538 5318 or bethericksen@utah.gov

Social security number: \_\_\_\_\_

☒ APPROVED



## FACT SHEET

**Commodity:** GOLD, SILVER

**Mine Name:** ETNA MINE

**County:** Iron

**Disturbed Acres:** five

**Operator Name:** Jerry Glazier aka JG Resources, L.L.C.

**Operator Address:** 155 West 100 South, Hurricane Utah 84737

**Operator Telephone:** (435) 635-2572

**Contact:** Jerry Glazier

**Operator e-mail:** [jerryglazier@gmail.com](mailto:jerryglazier@gmail.com)

Reclamation surety amount has yet to be determined, based on a permit of 1-acre, the Division's standard surety amount is \$5,000.00 for the 1 acre of disturbance. Operator must modify permit identifying disturbance if more than 1 acre.

The Division has received a reclamation surety check in the amount of \$5,000.00 from SITLA. In order for these funds to receive Division approval, the operator must return the signed and notarized completed reclamation contract.

Surety: Cash

Bank Name: Zions

Surety Amount: \$5,000.00

Account number: To be issued, attachment A

Contact: Beth Ericksen, DOGM, 801-538-5318 or [bethericksen@utah.gov](mailto:bethericksen@utah.gov)

Social security number [REDACTED]





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

November 4, 2013

R. Craig DeMille  
Zion's Bank  
279 West State Street  
Hurricane, Utah 84737


Subject: Authorization for Full Release of Reclamation Surety, Certificate of Deposit, JG Resources, LLC, Etna Mine, S/021/0009, Iron County, Utah

Dear Mr. DeMille:

Zion's Bank is holding certificate of deposit # \_\_\_\_\_ in the principle amount of \$16,500 for the benefit of the State of Utah, Division of Oil, Gas and Mining, as a form of reclamation surety for JG Resources LLC's Etna Mine. The operator requested that the surety be released, and since the site has not been disturbed, the Division authorizes full release of the certificate of deposit.

Please contact Dana Dean at 801-538-5320 or Paul Baker at 801-538-5261 if you have questions or concerns about this action. Thank you for your help in this matter.

Sincerely,

  
For John R. Baza  
Director

JRB:lk:pb

cc: Jerry Glazier, Operator - included original CD Agreement letter CRR 7005 2570 0000 4801 5587  
P:\GROUPS\MINERALS\WP\M021-Iron\S0210009-EtnaMine\Final\CDREL-5690-10222013.doc





JON M. HUNTSMAN, JR.  
*Governor*  
GARY R. HERBERT  
*Lieutenant Governor*

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
*Executive Director*

JOHN R. BAZA  
*Division Director*

November 3, 2008

RECEIVED  
NOV 05 2008  
DIV. OF OIL, GAS & MINING

Zions Bank  
279 West State Street  
Hurricane, UT 84737

Attention: R. Craig DeMille, Branch Manager; Phone No. 435-635-4692

Subject: Reclamation Surety, Certificate of Deposit for JG Resources LLC  
ETNA Mine Site, S/021/0009  
Iron County, Utah, TLA Mineral Lease Number 48151

Certificate of Deposit no. \_\_\_\_\_ \* Principal Amount \$16,500.

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the ETNA mine site ("Mine Site"), Iron County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$16,500 from the CD, together with other previously submitted bonds in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the Utah Trust Lands Administration ("TLA") upon demand in the event that the operator of the Mine Site is unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by JG Resources LLC, a Utah limited liability company ("Owner"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and TLA and is subject to the terms and conditions described in this agreement. Bank hereby acknowledges the pledge of



Page

Subject:

Reclamation Surety, Certificate of Deposit for JG Resources LLC  
ETNA Mine Site, S/021/0009  
Iron County, Utah, TLA Mineral Lease Number 48151  
Certificate of Deposit no. Principal Amount \$16,500

the aforesaid CD to the Division and the TLA and agrees to record the information in the Bank's written and electronic records of book entry. Further, the Bank acknowledges and agrees that it shall hold the moneys represented by the CD as a custodian and agent for the Division and shall be liable to the Division for any and all losses to the principal amount of the aforesaid CD caused in any manner whatsoever during the terms of this agreement. The Division acts as agent for the TLA. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by JG Resources LLC, for the Bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of Director of the Utah Division of Oil, Gas & Mining. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owner agrees and irrevocably instructs Bank that neither the Owner, nor any other person claiming an ownership interest in the CD which is derived from the Owner, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owner's control, or if Owner does not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owner, or its legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may request a transfer or release of the certificate of deposit monies into a state managed cash account to assure or complete



Page

Subject: Reclamation Surety, Certificate of Deposit for JG Resources LLC  
ETNA Mine Site, S/021/0009  
Iron County, Utah, TLA Mineral Lease Number 48151  
Certificate of Deposit no. \_\_\_\_\_, Principal Amount \$16,500

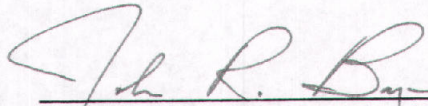
reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

**Accrued Interest:**

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner as the Owner may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$16,500. All tax liabilities for accrued interest shall remain the sole responsibility of the Owner.

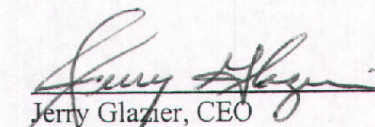
**Bank will not be held liable for any dispute between the parties.**

Agreed Upon By:



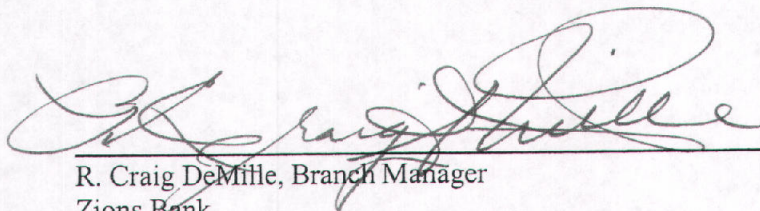
John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date: 11/6/08



Jerry Glazier, CEO  
JG Resources LLC  
Tax ID Number: 87-0636740

Date: 11/04/08




R. Craig DeMille, Branch Manager  
Zions Bank

Date: 11/3/08



## AFFIDAVIT OF QUALIFICATION INSTITUTION (Bank or Agency)

I, R. Craig DeMille, being first duly sworn under oath, depose and say that I am the Branch Manager of Zions Bank, Hurricane Branch; and that he is duly authorized to execute and deliver the foregoing obligations; and that said Zions Bank is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

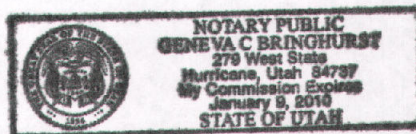
  
R. Craig DeMille, Branch Manager

Subscribed and sworn to before me this 3 day of November, 2008.

Sheneva C. Bringham  
Notary Public

My Commission Expires:

01-09, 20 10.



Attest:

STATE OF UTAH )  
 ) ss:  
COUNTY OF WASHINGTON )



# ZIONS BANK®

## TIME DEPOSIT CONFIRMATION

Account Number:                       
Date: 11/03/2008

Ownership: J G RESOURCES LLC  
JERRY GLAZIER

Purchase Amount: \$16,500.00 Term: 11 ☒ Months ☐ Days  
Interest Rate: 3.540% Annual Percentage Yield: 3.55% Maturity Date: 10/03/2009

Interest Payment Frequency: ☒ At Maturity ☐ Annually ☐ Quarterly ☐ Monthly  
Interest Payment Method: ☒ Add to Deposit ☐ Issue Check ☐ Transfer to Account Number                       
Non-Renewable If Checked: ☐ ☐ Checking/MMDA ☐ Savings

*[Signature]*

Zions Bank Representative Signature:                       
This confirmation is not negotiable. This confirmation is not transferable except on the records of the Bank. The Certificate of Deposit is issued in accordance with Zions Bank's Deposit Agreement.





EDWARD T. ALTER, CPA  
STATE TREASURER

# STATE OF UTAH

OFFICE OF STATE TREASURER  
E315 STATE CAPITOL COMPLEX  
P. O. BOX 142315

SALT LAKE CITY, UTAH 84114-2315

TEL: (801) 538-1042

FAX: (801) 538-1465

TDD: (801) 538-1042

ROBERT C. KIRK  
CHIEF DEPUTY STATE TREASURER

CHRISTINE M. BRANDT  
STATE INVESTMENT OFFICER

February 28, 2007

Ms. Beth Ericksen  
Division of Oil, Gas & Mining  
1594 W North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, UT 84114

Dear Ms. Ericksen:

I hereby certify that J. G. Resources, LLC has deposited with the Utah State Treasurer additional cash or securities valued at \$400.00 and described as follows:

Interest bearing escrow account ? held at Zions First National Bank  
totaling \$5,400.00 plus accrued interest.

The above described securities have been deposited and assigned to the Utah State Treasurer as a Reclamation Surety as required by Section 40-8-14 Utah Code Annotated, and will be held by the Utah State Treasurer until release is requested by the Division of Oil, Gas & Mining.

Sincerely,

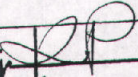
Coleen Hackwell  
Financial Analyst

Attachment A  
S/021/009  
E+na mine



Original check given to V. Bailey Acctg

## DIV. OF OIL, GAS & MINING

Date <u>2/10/09</u>		Amount \$ <u>4400.00</u>
Permit Number	M/021/009	
Operator	JG Resources, LLC.	
Received by	KP	
Signature	I confirm the dollar amount of this check is correct <sup>the</sup> and amount. 	





EDWARD T. ALTER, CPA  
STATE TREASURER

# STATE OF UTAH

OFFICE OF STATE TREASURER  
E315 STATE CAPITOL COMPLEX  
P. O. Box 142315

SALT LAKE CITY, UTAH 84114-2315

TEL: (801) 538-1042  
FAX: (801) 538-1465  
TDD: (801) 538-1042

ROBERT C. KIRK  
CHIEF DEPUTY STATE TREASURER

CHRISTINE M. BRANDT  
STATE INVESTMENT OFFICER

February 20, 2007

Ms. Beth Ericksen  
Division of Oil, Gas & Mining  
1594 W North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, UT 84114

Dear Ms. Ericksen:

I hereby certify that as of January 30, 2007 J. G. Resources, LLC has deposited with the Utah State Treasurer cash or securities valued at \$5,000.00 and described as follows:

Interest bearing escrow account  $\frac{1}{4}$  held at Zions First National Bank

The above described securities have been deposited and assigned to the Utah State Treasurer as a Reclamation Surety as required by Section 40-8-14 Utah Code Annotated, and will be held by the Utah State Treasurer until release is requested by the Division of Oil, Gas & Mining.

Sincerely,

Coleen Hackwell  
Financial Analyst

☒ APPROVED

S/021/009  
Attachment A



## STATE OF UTAH

EDWARD T. ALTER, UTAH STATE TREASURER

DIVISION OF FINANCE, 2110 STATE OFFICE BUILDING, SALT LAKE CITY, UTAH 84114

STATE VENDORS

Warrant Number  
F 7296043PAYABLE ON  
UTAH STATE TREASURER  
SALT LAKE CITY, UTAH 8411431-289  
1240

PAY Five Thousand And 00/100 Dollars

VOID ONE YEAR FROM DATE

12-14-2006

PAY THIS AMOUNT

\$\*\*\*\*\*5,000.00

  
DIVISION OF FINANCE

TO THE ORDER OF:

 Division of Oil, Gas, & Mining  
 1594 West North Temple  
 Suite 1210  
 Salt Lake City, UT 84114-5801

 DETACH BEFORE CASHING  
 STATE OF UTAH, Division of Finance  
 2110 State Office Building, Salt Lake City UT 84114

000RFD

Dept	Voucher #	Invoice # / Description	Amount
550	7TLA0000645	12/8/06 MIN / Transfer Reclamation Bond - Jerry Glazier/Americ	5,000.00

5/021/009



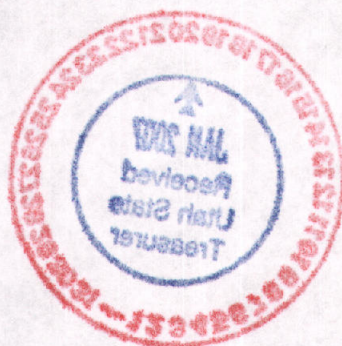
RECEIVED

DEC 19 2006

DIV. OF OIL, GAS &amp; MINING

☒ APPROVED





☒ APPROVED



# STATE OF UTAH

EDWARD T. ALTER, UTAH STATE TREASURER  
DIVISION OF FINANCE, 2110 STATE OFFICE BUILDING, SALT LAKE CITY, UTAH 84114  
STATE VENDORS



Warrant Number  
F 7296043

PAYABLE ON  
UTAH STATE TREASURER  
SALT LAKE CITY, UTAH 84114

31-289  
1240

**PAY Five Thousand And 00/100 Dollars**

VOID ONE YEAR FROM DATE  
12-14-2006

PAY THIS AMOUNT  
\$\*\*\*\*\*5,000.00

TO THE ORDER OF:

Division of Oil, Gas, & Mining  
1594 West North Temple  
Suite 1210  
Salt Lake City, UT 84114-5801

*Richard Beckman*  
DIVISION OF FINANCE

DETACH BEFORE CASHING  
STATE OF UTAH, Division of Finance  
2110 State Office Building, Salt Lake City UT 84114

000RFD

Dept	Voucher #	Invoice # / Description	Amount
550	7TLA0000645	12/8/06 MIN / Transfer Reclamation Bond - Jerry Glazier/Americ <i>9/021/009</i>	5,000.00

## Cash RECEIPT

Date 1-16-07

**MINERALS BOND**

*\$5000*

Amount \$	
Permit Number	<i>M0210009</i>
Operator	<i>JG Resources, LLC</i>
Received by	<i>BOZ BATT</i>
Signature	<i>[Signature]</i> I confirm the dollar amount of this check is correct <i>bond amount.</i>



Date: 2/16/07STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A  
TO THE  
RECLAMATION CONTRACTName of Operator: JG Resources, LLC.Permit Number: M/021/009Mine Name: Etna MinePhone Number: (435)  
635-2572

**Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:**

*Check the boxes that apply to this form:*

Surety: ☐ Decrease  
☒ Increase  
☐ Replacement

Reason: ☐ Amendment to NOI  
☐ Cancellation/ Termination of surety  
☐ Escalation  
☐ Partial Release of surety

☒ Other \$5400.00/acre - operator currently has  
Explain: \$5000.00 as reclamation surety.

Surety Dollar Amount Associated With This Action: \$400.00Surety Aggregate Amount: \$5400.00**Included in this modification (surety must be attached)**

Instrument(s):

<input type="checkbox"/> Corporate Surety	<input type="checkbox"/> Rider
<input type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Other
	Explain:

**Other surety not affected by this modification will remain part of Attachment A and labeled as such.  
This Modification will be effective as of the last date signed below**

\_\_\_\_\_  
Authorized Officer\_\_\_\_\_  
Title\_\_\_\_\_  
Date\_\_\_\_\_  
Division Director  
Utah Division of Oil, Gas and Mining\_\_\_\_\_  
Date



**From:** William Stokes  
**To:** dglazier@kmclaw.com; Tom Munson  
**Date:** 11/5/2008 3:32 PM  
**Subject:** Re: Etna Mine S/021/0009

Tom: Dave Glazier has provided all material regarding the proposed Notice of Intent including copies of the documentation that pertains to the Reclamation Bond. DOGM's assessment of the reclamation bond satisfies the requirements of the School Trust Lands Administration.

>>> Tom Munson 11/5/2008 3:14 PM >>>

Hello William, The Division would like to approve with your concurrence an increase in reclamation bond for the Etna related to an increase in acreage. the bopnd amount will be increased to an aggregate amount \$21,900 for a total of five acres of disturbance.

Tom Munson  
801-538-5321  
[tommunson@utah.gov](mailto:tommunson@utah.gov)



**From:** David Glazier <dglazier@kmclaw.com>  
**To:** Penny Berry <pennyberry@utah.gov>  
**Date:** 11/5/2008 3:54:26 PM  
**Subject:** RE: CD surety bond letter

Penny

Thanks very much for the quick turnaround on this!!!  
SITLA has sent Munson an approval of the bond amount as well, this afternoon.  
So I should be getting pretty close to it now being ready to submit for John's signature.

Please let me know if I need to do anything more.  
Thanks for your help.  
Dlg

DAVID L. GLAZIER, ESQ.  
KIRTON & MCCONKIE, PC  
PINEHURST BUSINESS PARK  
518 WEST 800 NORTH, SUITE 204  
OREM, UT 84057  
PHONE: 801-426-2100  
FAX: 801-426-2101  
WEB: KMCLAW.COM

**CIRCULAR 230 DISCLOSURE**

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-----Original Message-----

From: Penny Berry [mailto:pennyberry@utah.gov]  
Sent: Wednesday, November 05, 2008 3:49 PM  
To: David Glazier  
Subject: RE: CD surety bond letter

Looks good! Thanks.

>>> David Glazier <dglazier@kmclaw.com> 11/3/2008 4:26 PM >>>

Penny  
Try this

I changed it on the first page, and then in lots of other places in now says "the Division or SITLA". I think it still makes sense everywhere.

The first has already been signed, but we can get the new one signed tomorrow if you wish. Would you mind reviewing this again?



Thanks  
dlg

DAVID L. GLAZIER, ESQ.  
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-----Original Message-----

From: Penny Berry [mailto:pennyberry@utah.gov]  
Sent: Monday, November 03, 2008 3:56 PM  
To: David Glazier  
Subject: Re: CD surety bond letter

Hi David,

When you list the Division and the State, please change it to Division of Oil, Gas & Mining or the School and Institutional Trust Lands Administration (SITLA). Everything else looks good. Thanks.

Penny

>>> David Glazier <dglaizer@kmclaw.com> 11/3/2008 3:19 PM >>>

Attached is a draft of the proposed form of CD surety bond letter that we have prepared for JG Resources LLC to use in connection with the ETNA mine.

Craig and Penny, will you please review it and let me know if you have any questions or request any changes.

I will have Jerry bring the signed form letter, and the actual CD, with him when he comes up to SLC tomorrow. We will drop off both to Penny.

Thanks for your help.  
dlg

DAVID L. GLAZIER, ESQ.  
KIRTON & MCCONKIE, PC



PINEHURST BUSINESS PARK  
518 WEST 800 NORTH, SUITE 204  
OREM, UT 84057  
PHONE: 801-426-2100  
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[cid:image003.jpg@01C93DC7.807AD690]

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**From:** Penny Berry  
**To:** David Glazier  
**Date:** 11/3/2008 3:55:34 PM  
**Subject:** Re: CD surety bond letter

Hi David,

When you list the Division and the State, please change it to Division of Oil, Gas & Mining or the School and Institutional Trust Lands Administration (SITLA). Everything else looks good. Thanks.

Penny

>>> David Glazier <dglazier@kmclaw.com> 11/3/2008 3:19 PM >>>

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Thanks for your help.  
dlg

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[cid:image003.jpg@01C93DC7.807AD690]

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**From:** David Glazier <dglazier@kmclaw.com>  
**To:** Penny Berry <pennyberry@utah.gov>  
**Date:** 11/3/2008 11:42:41 AM  
**Subject:** RE: CD Cover Letter

Got it.  
Thanks very much  
I will review it and call you after lunch today.  
Thanks again.  
dlg

DAVID L. GLAZIER, ESQ.  
KIRTON & MCCONKIE, PC  
PINEHURST BUSINESS PARK  
518 WEST 800 NORTH, SUITE 204  
OREM, UT 84057  
PHONE: 801-426-2100  
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-----Original Message-----

From: Penny Berry [mailto:pennyberry@utah.gov]  
Sent: Monday, November 03, 2008 11:36 AM  
To: David Glazier  
Subject: CD Cover Letter

Hi David,

I was going to email you these documents last Thursday, but due to a family emergency I was unable. I have attached the CD cover letter and the affidavit of qualification. If you have any other questions please feel free to call or email bondcoordinator@utah.gov. Thank you.

Penny  
801-538-5291



**From:** Penny Berry  
**To:** dglazier@kmclaw.com  
**Date:** 11/3/2008 11:36:09 AM  
**Subject:** CD Cover Letter

Hi David,

I was going to email you these documents last Thursday, but due to a family emergency I was unable. I have attached the CD cover letter and the affidavit of qualification. If you have any other questions please feel free to call or email [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov). Thank you.

Penny  
801-538-5291



**From:** David Glazier <dglazier@kmclaw.com>  
**To:** "pennyberry@utah.gov" <pennyberry@utah.gov>  
**Date:** 11/3/2008 11:15:29 AM  
**Subject:** ENTA Mine

Penny

I have tried to reach you by phone on Friday and today, with no luck.

You may recall that I was introduced to you by Tom Munson on TH, while you were getting ready for a Halloween party.

We spoke about you sending me an additional form or information for my client to use in getting a CD posted as a surety for its reclamation contract.

We would like to get that taken care of today or tomorrow, but I think I still need a bank letter form from you.

Could you please forward it to me and give me a call at the number below?

Thanks for your help.

dlg

DAVID L. GLAZIER, ESQ.  
KIRTON & MCCONKIE, PC  
PINEHURST BUSINESS PARK  
518 WEST 800 NORTH, SUITE 204  
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[cid:image003.jpg@01C93DA5.6C577960]

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**From:** David Glazier <dglazier@kmclaw.com>  
**To:** Penny Berry <pennyberry@utah.gov>  
**Date:** 11/3/2008 4:27:15 PM  
**Subject:** RE: CD surety bond letter

Penny  
Try this

I changed it on the first page, and then in lots of other places in now says "the Division or SITLA". I think it still makes sense everywhere.

The first has already been signed, but we can get the new one signed tomorrow if you wish. Would you mind reviewing this again?

Thanks  
dlg

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Penny

>>> David Glazier <dglazier@kmclaw.com> 11/3/2008 3:19 PM >>>

Attached is a draft of the proposed form of CD surety bond letter that we have prepared for JG Resources LLC to use in connection with the ETNA mine.



Craig and Penny, will you please review it and let me know if you have any questions or request any changes.

I will have Jerry bring the signed form letter, and the actual CD, with him when he comes up to SLC tomorrow. We will drop off both to Penny.

Thanks for your help.  
dlg

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JON M. HUNTSMAN, JR.  
*Governor*  
GARY R. HERBERT  
*Lieutenant Governor*

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
*Executive Director*

JOHN R. BAZA  
*Division Director*

November 3, 2008

Zions Bank  
279 West State Street  
Hurricane, UT 84737

Attention: R. Craig DeMille, Branch Manager; Phone No. 435-635-4692

Subject: Reclamation Surety, Certificate of Deposit for JG Resources LLC  
ETNA Mine Site, S/021/0009  
Iron County, Utah, TLA Mineral Lease Number 48151

Certificate of Deposit no.                      Principal Amount \$16,500.

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the ETNA mine site ("Mine Site"), Iron County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$16,500 from the CD, together with other previously submitted bonds in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") or the School and Institutional Trust Lands Administration ("SITLA") upon demand in the event that the operator of the Mine Site is unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by JG Resources LLC, a Utah limited liability company ("Owner"), but it is held by Bank for the benefit of the State of Utah, the Division or SITLA and is subject to the terms



Page 22

Subject: Reclamation Surety, Certificate of Deposit for JG Resources LLC  
ETNA Mine Site, S/021/0009  
Iron County, Utah, SITLA Mineral Lease Number 48151  
Certificate of Deposit no. \_\_\_\_\_, Principal Amount \$16,500

and conditions described in this agreement. Bank hereby acknowledges the pledge of the aforesaid CD to the Division or SITLA and agrees to record the information in the Bank's written and electronic records of book entry. Further, the Bank acknowledges and agrees that it shall hold the moneys represented by the CD as a custodian and agent for the Division or SITLA and shall be liable to the Division and SITLA for any and all losses to the principal amount of the aforesaid CD caused in any manner whatsoever during the terms of this agreement. The Division acts as agent for the SITLA. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division or SITLA may request CD information on an occasional basis. This letter grants approval by JG Resources LLC, for the Bank to provide CD information to the Division or SITLA any time an inquiry is made via telephone, email, or letter.

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of Director of the Utah Division of Oil, Gas & Mining. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, the Division or SITLA. Owner agrees and irrevocably instructs Bank that neither the Owner, nor any other person claiming an ownership interest in the CD which is derived from the Owner, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owner's control, or if Owner does not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owner, or its legal successors-in-interest. In the



Page 22

Subject: Reclamation Surety, Certificate of Deposit for JG Resources LLC  
ETNA Mine Site, S/021/0009  
Iron County, Utah, SITLA Mineral Lease Number 48151  
Certificate of Deposit no \_\_\_\_\_, Principal Amount \$16,500

event of Bank cancellation/termination of the Certificate of Deposit, the Division may request a transfer or release of the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

**Accrued Interest:**

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner as the Owner may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$16,500. All tax liabilities for accrued interest shall remain the sole responsibility of the Owner.

**Bank will not be held liable for any dispute between the parties.**

Agreed Upon By:

John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date:

Jerry Glazier, CEO  
JG Resources LLC  
Tax ID Number:

Date:

R. Craig DeMille, Branch Manager  
Zions Bank

Date:



Penny —

5/021/0009

Thanks for your help.  
My email is

dglazier@kmclaw.com

369-4242-c

426-2100-0

D. Glazier

I need the CD letter form.  
we will post an additional \$16,500

Zions bank - hurricane



**CHRISTOPHER W. EDWARDS, P.C.**

ATTORNEY AT LAW

55 SOUTH 300 WEST, SUITE 1  
POST OFFICE BOX 386  
HURRICANE, UTAH 84737  
(435)635-7130  
Fax (435) 635-7100  
[chrislaw@infowest.com](mailto:chrislaw@infowest.com)

CHRISTOPHER W. EDWARDS

February 9, 2007

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
Attn: Doug Jensen  
5094 West North Temple, Ste. 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

*sent via fax 801-359-3940*

**Re: Reclamation Surety and Reclamation Contract between JG Resources LLC on  
Etna Mine, M0210009, Iron County, Utah**

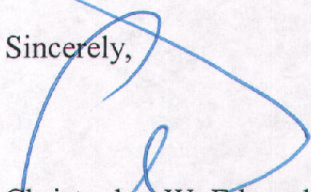
Dear Mr. Jensen,

Pursuant to the correspondence from Mr. Haddock dated January 24, 2007, we have remedied all issues. Please find enclosed a check for \$400.00 to make up the difference on the average cost estimate for 1 acre of disturbed area on the reclamation bond.

We have also included an amended Notice of Intention to commence small mining operations which very specifically and clearly state JG Resources as the operator and more correctly describes the total project service acreage to be disturbed as described as 1 acre as described in the process. I think all other issues in the Notice of Intention are clear. Also, I have resubmitted the Small Claim Reclamation Contract for your review.

If you have any questions, feel free to contact Jerry Glazier directly at 435-635-2572, or you may contact my office at the above address.

Sincerely,

  
Christopher W. Edwards  
Attorney for JG Resources LLC

**RECEIVED**

**FEB 15 2007**

**DIV. OF OIL, GAS & MINING**





## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

January 24, 2007

Jerry Glazer  
JG Resources, LLC  
155 West 100 South  
Hurricane, Utah 84737

Subject: Reclamation Surety and Reclamation Contract, JG Resources, LLC, Etna Mine, M0210009, Iron County, Utah

Dear Mr. Glazer:

On January 22, 2007, the Director of the Division of Oil, Gas and Mining signed the reclamation contract for the **Etna Mine** Project Notice of Intention to Conduct Mining, file number **M0210009**. A copy of the executed reclamation contract/surety is enclosed for your records. This action has made it possible for your existing reclamation surety to be in place with the Division, however you should note that there are deficiencies either in your Notice of Intent or in your surety/bond amount that need to be rectified.

Right now the amount of surety/bond that is currently posted does not correspond with the information in your NOI. Based on the information in the NOI the Division has determined that you must post a surety in the amount of \$18,600. (Remember that if your NOI indicates that you will disturb an area less than 5 acres, we must assume that you may disturb an area up to 5 acres and we will calculate a bond accordingly. At the present time the average cost estimate for the first acre is \$5400 with \$3300 for each additional acre, which amounts to \$18,600 for a five-acre site.) In addition your NOI needs to be amended to change the company name from American Cometco to JG Resources, LLC.

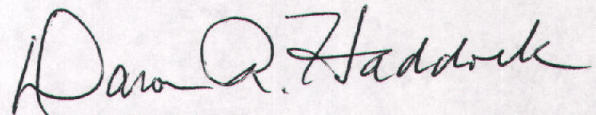
If your Notice of Intent is not specific as to the area planned for disturbance, you may wish to amend the notice to more accurately reflect your plans. At such time as we receive and review an amended NOI we will determine an appropriate reclamation cost based on the new information and notify you of any changes needed to your surety/bond. If you choose not to amend your NOI we will expect the above stated amount to be filed with the Division within 30 days.



Page 2 of 2  
Mr. Jerry Glazer  
M0210009  
January 24, 2007

If you have questions or concerns regarding this letter, please contact me at (801) 538-5325 or Doug Jensen at 538-5382. Thank you for your help in completing this very important regulatory requirement.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly legible.

Daron R. Haddock  
Permit Supervisor  
Minerals Regulatory Program

DRH:pb

Enclosure: Copy of RC/surety

cc: Beth Ericksen

P:\GROUPS\MINERALS\WP\M021-Iron\S0210009-EtnaMine\Final\01232007apprvl-a-deficient.doc



**From:** Doug Jensen  
**To:** Beth Ericksen  
**Date:** 01/11/2007 7:22:08 AM  
**Subject:** Re: S/021/009

Yes he contacted me and said he thought that there was a bond being held by SITLA. I talked to Will Stokes and found that there was an old \$5000 surety placed with SITLA in 1983 or '84. Will had to spend some time to find it. He had prepared a letter to have that money transferred to DOGM, haven't seen anything from you to show that it has been received.

A portion of Mr. Glazer's site was reclaimed by Abandoned Mines several years ago. There are still a few old sheds sitting on the site but his disturbance is less than an acre, the \$5000 should cover it.

We just need him to modify his permit to show only an acre.

I'll contact him to get that taken care of.

>>> Beth Ericksen 1/9/2007 1:06 PM >>>

Doug-

It has been 3 weeks since a letter was mailed to Mr. Jerry Glazier, he has taken no action that I am aware of. Has he contacted you?

The database shows 5 acres of disturbance, will you send him the template letter that indicates he has a surety requirement of 18600.00. The Dec 20 letter asked that he contact you.

Thanks,  
Beth



CHRISTOPHER W. EDWARDS, P.C.  
ATTORNEY AT LAW

cc: Doug  
Beth

M/02/1009

55 SOUTH 300 WEST, SUITE 1  
POST OFFICE BOX 386  
HURRICANE, UTAH 84737  
(435)635-7130  
Fax (435) 635-7100  
[chrislaw@infowest.com](mailto:chrislaw@infowest.com)

CHRISTOPHER W. EDWARDS

January 11, 2007

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
Attn: Doug Jensen  
5094 West North Temple, Ste. 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

*sent via fax 801-359-3940*

Dear Doug,

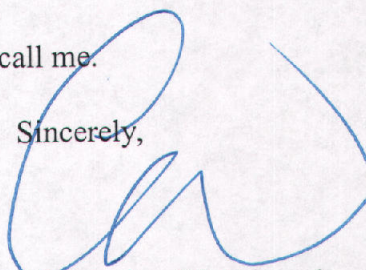
I am the corporate and legal counsel for Jerry Glazier and JG Resources LLC.

As you are probably aware, American Cometco is no longer in existence. All of the assets of American Cometco, including this lease and the rights associated with the Gold Springs Project, have been assigned to JG Resources LLC. For that reason, I have taken the liberty to change any reference to American Cometco in the small mine reclamation contract.

I have also taken the liberty to change the fact sheet to include the revision of disturbed area from 5 acres down to 1 acre for which the \$5,000.00 bond should be ample to cover that amount of area.

Should you have any questions, feel free to call me.

Sincerely,



Christopher W. Edwards  
Attorney for JG Resources LLC

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JAN 16 2007

DIV. OF OIL, GAS & MINING



December 19, 2006

Jerry Glazier for  
American Cometco Inc.  
155 West 100 South  
Hurricane, Utah 84737

Subject: DOGM Receipt of Reclamation Surety, \$5000 and Reclamation Contract Requirements, American Cometco Inc., Etna Mine, M0210009, Iron County, Utah

Dear Mr. Glazier:

Due to a Memorandum Agreement between SITLA and DOGM, the administration of reclamation surety bonds has been transferred to the Division. On December 19, 2006, the Division received a check from SITLA in the amount of \$5000.00 that serves as reclamation surety for the Etna Mine site.

**In order to apply this surety to your small mining operation (SMO), it is necessary to complete the enclosed reclamation surety contract (form MR-RC) immediately. Please return the original signed and notarized contract to the Division, attention: Beth Ericksen.**

In addition, the company name, American Cometco Inc. is not a registered company with the State of Utah, Department of Commerce. In order to enter into a contractual agreement with the Division, the company must be in good standing with the Department of Commerce. If you are no longer doing business under this name, the permit must be modified and the company name changed to an individual. Please contact Beth Ericksen, 801-538-5318 or Doug Jensen, 801-538-5382 for details.

Furthermore, a series of letters starting June 8, 2006 were mailed to all small mine operators requiring a reclamation surety bond for small mines within the state of Utah. This letter had a deadline of December 8, 2006 to meet the surety bond requirements. Additional reclamation surety bond requirements may be necessary. Please contact the reclamation specialist for Iron County, Doug Jensen, 801-538-5382, to obtain assistance in the determination of potential additional surety and permitting requirements.

If you have any questions or require further discussion, please contact any of the mentioned persons in this letter.



Page 2  
Jerry Glazier  
S0210009  
December 19, 2006

Sincerely,

Daron Haddock  
Permit Supervisor  
Minerals Regulatory Program

SMW:BE;be  
Enc: copy of \$5000 check  
Cc: Beth Ericksen, OGM  
Doug Jensen, OGM